

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4435-01
Bill No.: SB 441
Subject: Motor Vehicles; Revenue Department; Licenses - Motor Vehicle
Type: Original
Date: January 13, 2012

Bill Summary: This proposal allows motorist to obtain Missouri Junior Golf Foundation specialized license plates under certain conditions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Highway Fund	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections** assume the proposal will have no fiscal impact on their organization.

Officials from **Department of Transportation** concur with the Department of Revenue regarding any possible fiscal impact from the proposal.

Officials from the **Department of Revenue (DOR)** stated in a response to a proposal similar to, or identical to, this one in a previous session indicated they planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within DOR's motor vehicle system, changes cannot be made without significant impact to DOR's resources and budget. Therefore, the fiscal impact is:

Section 301.473

DOR's Motor Vehicle Bureau (MVB) estimates procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182. The Application for Missouri Personalized and Specialty License Plates (DOR-1716) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182. The Department's web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319. The Department would incur 20 overtime hours for a Revenue Processing Tech II to work with the organization on the design of the plate and finalizing the design of the plate at a cost of \$411. The Department would incur 20 overtime hours for a Revenue Processing Tech II to set up the new specialty plate within MVB systems and testing at a cost of \$411.

The printing of flat plates has changed from Irwin Hodson to Missouri Vocational Enterprises (MVE); as a result the cost for the set-up of a new specialty plate has changed from previous years. The Department is charged \$215 for the initial set-up of a new specialty plate for passenger, truck, RV, disabled, and motorcycle plates. This is a one-time fee that will be charged upon passage of this proposal.

The Department pays \$3.50 per plate (\$7 per set of plates) for manufacturing flat plates through MVE. The number of applicants who will obtain this plate is unknown. Therefore the Department is assuming 200 applicants at a cost of \$1,167 (10 Months) in FY13, \$1,435 in FY14, and \$1,471 in FY15.

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ASSUMPTION (continued)

It currently costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to license offices once they have completed the manufacturing process through MVE. Assuming 200 applications are received, it would cost the Department \$93 in FY13 (10 Months), \$114 in FY14, and \$117 in FY15 to ship 200 sets of plates to license offices in various regions across the state.

Note: The \$5.55 is an average cost to ship a box of 10 sets of plates to contract offices. The cost may decrease or increase based on the weight of the box, the area to which the box is being sent, and how many boxes are being sent at one time.

The Department would incur an additional postage cost for mailing notifications to those applicants notifying them that their plates are ready for pickup at the respective license office. Assuming 200 are mailed it would cost the department \$86 in FY13 (10 Months), \$107 in FY14, and \$109 in FY15 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.45).

In summary, DOR assumes a cost of \$5,067 in FY 2013, \$1,656 in FY 2014 and \$1,697 in FY 2015 for full time employees, plate set-up, manufacturing and mailings.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR states the number of applicants who will wish to obtain this plate is unknown. However, for each 200 Missouri Junior Golf Foundation specialty plate applications received, there will be an increase in revenue each year of \$3,000 as a result of the \$15 specialty plate fee that is constitutionally distributed as follows:

	<u>FY 13 (10 MONTHS)</u>	<u>FY 14</u>	<u>FY 15</u>
75% -Highway Fund	\$1,875	\$2,250	\$2,250
15% - Cities	\$375	\$450	\$450
10% - Counties	\$250	\$300	\$300

Since it is unknown how many plate applications will be received for this plate, for fiscal note purposes only, **Oversight** will estimate revenue as: \$0 to Less than \$100,000. Oversight will also estimate cost to General Revenue as: \$0 to (Less than \$100,000). Oversight assumes contributions received by the Missouri Junior Golf Foundation would not be considered local political subdivision funds.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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GENERAL REVENUE

<u>Cost</u> - Department of Revenue - Processing costs for specialty plates	\$0 or (Less than <u>\$100,000</u>)	\$0 or (Less than <u>\$100,000</u>)	\$0 or (Less than <u>\$100,000</u>)
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or (Less than \$100,000)</u>	<u>\$0 or (Less than \$100,000)</u>	<u>\$0 or (Less than \$100,000)</u>
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HIGHWAY FUND

<u>Income</u> - Specialty plate fees	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>
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ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$0 or Less than \$100,000</u>	<u>\$0 or Less than \$100,000</u>	<u>\$0 or Less than \$100,000</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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LOCAL POLITICAL SUBDIVISIONS

<u>Income</u> - Cities and Counties - Specialty plate fees	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or Less than \$100,000</u>	<u>\$0 or Less than \$100,000</u>	<u>\$0 or Less than \$100,000</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

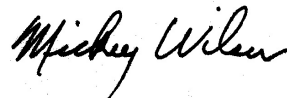
FISCAL DESCRIPTION

This act allows motorists to obtain Missouri Junior Golf Foundation special license plates. In order to obtain Missouri Junior Golf Foundation license plates, a motorist must pay a \$25 emblem-used contribution fee to the Missouri Junior Golf Foundation. After obtaining an emblem-use authorization statement from the Missouri Junior Golf Foundation, the motorist must pay a \$15 fee to the Department of Revenue in addition to regular registration fees. A motorist who was previously issued Missouri Junior Golf Foundation plates and who does not provide an emblem-use authorization statement at a subsequent time of registration will be issued new plates which do not bear the Missouri Junior Golf Foundation's emblem.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Corrections
Department of Transportation



Mickey Wilson, CPA
Director
January 13, 2012